

DETAILED ACTION

EXAMINER'S AMENDMENT

1. An examiner's amendment to the record appears below. Should the changes and/or additions be unacceptable to applicant, an amendment may be filed as provided by 37 CFR 1.312. To ensure consideration of such an amendment, it **MUST** be submitted no later than the payment of the issue fee.

Authorization for this examiner's amendment was given in a telephone interview with Justin Blanton on 06/18/08.

The application has been amended as follows:

Allowable Subject Matter

2. The following is an examiner's statement of reasons for allowance: As to claims 21, and 23-25 cited prior art fails to teach "calculating a normalized average activity level of a picture from on image information of the picture, adjusting a base quantizer value according to the picture's normalized average activity level, and selecting a quantizer value for the picture based on the adjusted quantizer value, wherein the calculating comprises: for a plurality of macroblocks in the picture, calculating variances of image data for a plurality of blocks therein, from minimum variance levels of the macroblocks, calculating minimum activity levels of the macroblocks, wherein the minimum activity of each macroblock is calculated as: $actmin = 1 + \min(blkvar1, blkvar2, blkvar3, blkvar4)$, where blkvar represents the variances of 8x8 blocks within a respective macroblock, and normalizing the minimum activity levels of the macroblocks, wherein the normalized minimum activity per macroblock is calculated as: $actnorm = (2$

x act rain) + act rain avg act rain+ (2 x act rain 8avg) where actminavg is a sum of actmin values for all macroblocks in a previously processed picture and the actnorm values for all macroblocks in the picture are averaged to obtain the normalized average activity level of the picture" of Applicant's claimed invention.

Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

Conclusion

3. Any inquiry concerning this communication or earlier communications from the examiner should be directed to ANNER HOLDER whose telephone number is (571)270-1549. The examiner can normally be reached on M-Th, M-F 8 am - 3 pm EST.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Mehrdad Dastouri can be reached on 571-272-7418. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Art Unit: 2621

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

ANH 06/23/08

/Tung Vo/

Primary Examiner, Art Unit 2621